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**UNITED STATES DISTRICT COURT
DISTRICT OF OREGON**

JUSTIN JAMES AND NICOLE JAMES;)	
)	Case No. 3:08-CV-397-BR
Plaintiffs)	
v.)	DEFENDANT HSBC BANK USA, NA's
)	ANSWER TO FIRST AMENDED
FREMONT REORGANIZING COMPANY,)	COMPLAINT
FKA FREMONT INVESTMENT & LOAN)	
COMPANY; BRIDGE CAPITAL)	
CORPORATION; HSBC BANK USA, NA;)	
)	
Defendants.)	
_____)	

COMES NOW HSBC Bank USA, NA ("HSBC" or "Defendant"). Defendant, in answer to Plaintiffs' amended complaint, admits, denies and alleges as follows:

1.1 HSBC admits that it is the trustee for the Fremont Home Loan Trust 2006-D Mortgage-Backed Certificates, 2006-D and holds a beneficial interest in loans secured by real property located at 4063 43rd St. NE, Neotsu, OR and 2125 NE 21st, Lincoln City, OR., but is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations of paragraph 1 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.2 Answering paragraph 2, HSBC admits that this court has jurisdiction.

1.3 HSBC admits that the James' own real property located at 4063 43rd St. NE, Neotsu, OR and 2125 NE 21st, Lincoln City, OR. HSBC is without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations of paragraph 3 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.4 No answer is required to paragraph 4 of Plaintiffs' Amended Complaint as these allegations are against Defendant Fremont only.

1.5 No answer is required to paragraph 5 of Plaintiffs' Amended Complaint as these allegations are against Defendant Bridge only.

1.6 Answering paragraph 6 of Plaintiffs' Amended Complaint, Counsel for HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations, and therefore denies those allegations.

1.7 Answering paragraph 7 of Plaintiffs' Amended Complaint, HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations, and therefore denies those allegations.

1.8 No answer is required to paragraph 8 of Plaintiffs' Amended Complaint as these allegations are against Defendant Fremont only.

1.9 Answering paragraph 9 of Plaintiffs' Amended Complaint, HSBC admits that HSBC as trustee for the Fremont Home Loan Trust 2006-D Mortgage-Backed Certificates, 2006-D, holds a beneficial interest in a loans secured by real property located at 4063 43rd St. NE, Neotsu, OR and 2125 NE 21st, Lincoln City, OR.. HSBC denies the remainder allegations of paragraph 9 of Plaintiffs' Amended Complaint.

1.10 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 10 of Plaintiffs' Amended Complaint and therefore

denies those allegations.

1.11 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 11 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.12 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 12 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.13 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 13 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.14 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 14 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.15 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 15 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.16 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 16 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.17 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 17 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.18 Answering paragraph 18 of Plaintiffs' Amended Complaint, HSBC repeats

and incorporates by its answer in all preceding paragraphs as though fully set forth herein.

1.19 No answer is required to paragraph 19 of Plaintiffs' Amended Complaint as these allegations are against Defendants Bridge and Fremont only.

1.20 No answer is required to paragraph 20 of Plaintiffs' Amended Complaint as these allegations are against Defendants Bridge and Fremont only.

1.21 No answer is required to paragraph 21 of Plaintiffs' Amended Complaint as these allegations are against Defendants Bridge and Fremont only. To the extent an answer is required to paragraph 21, HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 21 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.22 No answer is required to paragraph 22 of Plaintiffs' Amended Complaint as these allegations are against Defendants Bridge and Fremont only. To the extent an answer is required to paragraph 22, HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 22 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.23 No answer is required to paragraph 23 of Plaintiffs' Amended Complaint as these allegations are against Defendants Bridge and Fremont only. To the extent an answer is required to paragraph 23, HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 23 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.24 No answer is required to paragraph 24 of Plaintiffs' Amended Complaint as these allegations are against Defendants Bridge and Fremont only.

1.25 Answering paragraph 25 of Plaintiffs' Amended Complaint, HSBC repeats

and incorporates by its answer in all preceding paragraphs as though fully set forth herein.

1.26 No answer is required to paragraph 26 of Plaintiff's Amended complaint as these allegations are against Defendant Bridge only.

1.27 HSBC denies that Plaintiffs are entitled to the relief requested in paragraph 27 of Plaintiffs' Amended Complaint.

1.28 Answering paragraph 28 of Plaintiffs' Amended Complaint, HSBC repeats and incorporates by its answer in all preceding paragraphs as though fully set forth herein.

1.29 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 29 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.30 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 30 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.31 HSBC is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 31 of Plaintiffs' Amended Complaint and therefore denies those allegations.

1.32 HSBC denies that Plaintiffs are entitled to the relief requested in paragraph 32, including paragraphs 32A through 32C of Plaintiffs' Amended Complaint.

1.33 HSBC denies Plaintiffs' prayers for relief in their entirety.

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AFFIRMATIVE DEFENSES

FURTHER ANSWERING and by way of affirmative defenses, HSBC alleges as follows:

- 2.1 The Complaint fails to state a claim upon which relief can be granted.
- 2.2 Plaintiffs' claims are barred by the doctrine of estoppel.
- 2.3 Plaintiffs' claims are barred by the doctrine of waiver.
- 2.4 Plaintiffs' claims are barred by the doctrine of voluntary payment.
- 2.5 Plaintiffs' damages, if any, are the result of plaintiffs' own acts or omissions in failing to take reasonable steps to protect their own interests.
- 2.6 That Plaintiffs have failed to mitigate their damages, if any.
- 2.7 That Plaintiffs' damages, if any, are caused by the acts or omissions of parties other than HSBC and HSBC places the liability of those parties at issue for the purposes of determining comparative fault.

The above defenses and affirmative defenses are based on the facts currently known to HSBC. HSBC reserves the right to amend or add defenses or affirmative defenses based on facts later discovered, pled or offered.

RESERVATION OF COUNTERCLAIMS/ CROSS-CLAIMS AND THIRD-PARTY CLAIMS

- 3.1 Defendant HSBC hereby reserves the right to bring any additional counterclaims, cross-claims, and/or third-party claims against any party hereto.

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PRAYER FOR RELIEF

WHEREFORE, having fully answered Plaintiffs Amended Complaint, HSBC prays for relief as follows:

- 4.1 That Plaintiff's complaint be dismissed with prejudice;
- 4.2 That HSBC be awarded reimbursement of its attorneys fees and costs incurred in this case;
- 4.3 That the court grant such other and further relief as the court may deem just.

DATED this ____ day of July, 2009.

ROUTH CRABTREE OLSEN, P.S.

By /s/ Lance E. Olsen
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Certificate of Service

I certify under penalty of perjury under the laws of the State of Washington that I mailed a true and correct copy of DEFENDANT HSBC'S ANSWER TO AMENDED COMPLAINT, postage pre-paid, regular first class mail on the 29th day of July, 2009 to the following parties:

Hope A. Del Carlo
Oregon Law Center
921 SW Washington St., Suite 516
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DATED this 29th day of July, 2009.

/s/ Amanda Brings
Amanda Brings, Litigation Assistant